



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
AUGUST 2018

MONTHLY BUDGET STATEMENT FOR AUGUST 2018

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

PURPOSE

The purpose of this report is to submit the monthly budget statement of the municipal council, to the honourable mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of August 2018.

BACKGROUND

The Local Government Municipal Finance Management Act, Act 56 of 2003 requires the accounting officer of a municipality to submit, to the mayor and provincial treasury, by no later than 10 working days after the end of each month, on the state of the municipality's budget reflecting *inter alia* the following particulars

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure per vote;
- Actual capital expenditure;
- The amount of any allocations received;

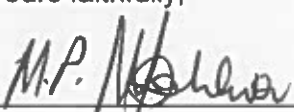
1. DELIBERATIONS

An explanation is required of any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections by vote. Any material variances from the SDBIP, and any remedial or corrective steps taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

4. RECOMMENDATION

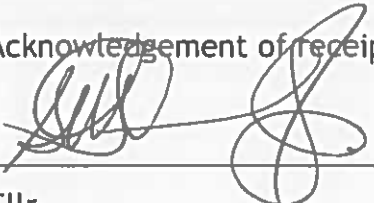
It is recommended that the mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

Yours faithfully,



MUNICIPAL MANAGER

Acknowledgement of receipt



Cllr

MAYOR

Date

10/09/2018

In-Year Report of Municipalities

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May2009 and Schedule C.

Monthly Budget Statement August 2018

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy – The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. . In Ngqushwa Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, Public Safety etc.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations (MBRR)

Highlighted in the text box below are the relevant sections from the MBRR:

Format of monthly budget statements

28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Tabling of monthly budget statements

29. The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71 (1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in Schedule C.

Publication of monthly budget statements

30. (1) The monthly budget statement of a municipality must be placed on the municipality's website.

(2) The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including -

(a) summaries of monthly budget statements in alternate languages predominant in the community; and

(b) information relevant to each ward in the municipality.

Note: In the remainder of this report, the applicable sections from the MBRR, Schedule C will always be reflected in a text box as per above

PART 1 – IN-YEAR REPORT

Section 1 – Mayor's Report

1.1 In-Year Report - Monthly Budget Statement

Mayor's report

3. The mayor's report accompanying an in-year monthly budget statement must provide-

(a) a summary of whether the municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;

(b) a summary of any financial problems or risks facing the municipality or any such entity; and

(c) any other information considered relevant by the mayor.

1.1.1 Implementation of budget in terms of SDBIP

There are no deviations from the Service Delivery and Budget Implementation Plan and the budget is implemented according to the plan. The municipality is not facing any financial risk at the present moment.

1.1.2 Other information

The monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations.

Additional clarity on the content of this report or answers to any questions posed will be given at the next Finance Standing Committee meeting.

Section 2 - Resolutions

Resolutions

5. If an in-year report is tabled in the municipal council, resolutions dealing with at least the following matters must be prepared and presented as part of the documentation, as may be relevant -

- (a) noting the monthly budget statement and any supporting documents;*
- (b) noting the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in section 52(d) of the Act;*
- (c) noting the mid-year budget and performance assessment referred to in section 72 of the Act;*
- (d) noting the in-year reports of any municipal entities; and*
- (e) any other resolutions that may be required.*

IN-YEAR REPORTS 2018/2019

RECOMMENDATION:

That the Municipal Manager/Mayor notes the monthly budget statement and supporting documentation.

Section 3 – Executive Summary

3 Section 3 – Executive Summary

Executive summary

6. The executive summary of a monthly budget statement must cover at least the following -

(a) the municipality's consolidated performance, in relation to both the approved annual budget and the latest approved adjustments budget, with specific reference to the financial and non-financial impact of the performance of municipal entities on the consolidated performance making reference to the in-year report tables, charts and explanations;

(b) any material variances from the service delivery and budget implementation plan; and

(c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's budget.

and note

12. If a municipality has municipal entities, the information in items 6 and 7 must be consolidated covering the parent municipality's monthly budget statement and municipal entities monthly budget statements.

3.1 Introduction

As was said in the Mayor's report, the monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations,

3.2 Consolidated performance

3.2.1 Against annual budget

Revenue by Source

Service charges levied as at 31 August 2018 are as follows;

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates			28 780		3 950	26 671	4 797	21 874	456%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue			755		67	133	126	7	6%	
Service charges - other								-		
Rental of facilities and equipment			572		9	28	95	(67)	-71%	
Interest earned - external investments			2 702		186	186	450	(264)	-59%	
Interest earned - outstanding debtors			4 343		171	424	724	(300)	-41%	
Dividends received								-		
Fines, penalties and forfeits			3 900		24	39	650	(611)	-94%	
Licences and permits			2 249		146	283	375	(92)	-25%	
Agency services			509		33	75	85	(9)	-11%	
Transfers and subsidies			95 935		-	31 453	15 989	15 464	97%	
Other revenue			4 468		7	27	745	(717)	-96%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		-	144 213	-	4 595	59 320	24 036	35 285	147%	-

Property rates

Monthly property rates and service charges were billed to consumers and reflect as accrued income in the Statement of Financial Performance. Property rates are at R 21 874 176.28 with 456%

% over billing variance when compared to the year to date budget. This is because of the customers that are billed annually and these customers were billed in the month of July 2018.

Service charges

Service charges on refuse service charges are R 133 179.15 or 6% over billed than the year to date budget.

And Rental of facilities are at 71% under billed with the year to date budget.

The municipality has under collected on other own revenue with 96% compared to year to date budget. The revenue in the beginning of the financial year is low, due to the procurement processes (Tender fees) ect that are slow. (Including in Other revenue – Cemetery fees, Tender fees, Building Plans, Pound fees)

Expenditure by Type

Expenditure By Type									
Employee related costs		66 807		5 017	9 879	11 135	(1 256)	-11%	
Remuneration of councillors		9 439		686	1 357	1 573	(216)	-14%	
Debt impairment		2 170				362	(362)	-100%	
Depreciation & asset impairment		15 053				2 509	(2 509)	-100%	
Finance charges		2 100		4	8	350	(342)	-98%	
Bulk purchases		-				-	-		
Other materials		1 911		336	336	319	18	6%	
Contracted services		23 482		1 249	2 058	3 914	(1 855)	-47%	
Transfers and subsidies		25				4	(4)	-100%	
Other expenditure		16 893		1 422	1 904	2 816	(912)	-32%	
Loss on disposal of PPE		-				-	-		
Total Expenditure		-	137 881	-	8 714	15 543	22 980	(7 437)	-32%

The actuals expenditure for to debt impairment will be reported annually at the end of financial year, depreciation - the asset section is busy with integrating the final fixed asset register in the financial system. Employee costs show an under expenditure of 11 % or R 1 256 000. This is because of annual increment due that will be implemented in September 2018. The finance cost refers to interest incurred, on late payments. The budget included the proposed leasing of assets.

Capital Expenditure

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	4 318	-	94	94	720	(626)	-87%	-
Executive and council			18				1 666.67	(2)	-100%	
Finance and administration			4 308		94	94	717 944.67	(624)	-87%	
Internal audit								-		
<i>Community and public safety</i>		-	3 400	-	453	453	567	(113)	-20%	-
Community and social services			1 500		453	453	250	203	81%	
Sport and recreation			1 900				317	(317)	-100%	
Public safety								-		
Housing								-		
Health								-		
<i>Economic and environmental services</i>		-	19 631	-	890	3 713	3 272	441	13%	-
Planning and development			15				3	(3)	-100%	
Road transport			19 616		890	3 713	3 269	(2 379)	-73%	
Environmental protection								-		
<i>Trading services</i>		-	5 332	-	-	-	889	(889)	-100%	-
Energy sources			5 332				889	(889)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
Other								-		
Total Capital Expenditure - Functional Classification	3	-	32 681	-	1 437	4 280	5 447	(1 187)	-22%	-
Funded by:										
National Government			26 348		1 343	4 166	4 391	(225)	-5%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		-	26 348	-	1 343	4 166	4 391	(225)	-5%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 333		94	94	1 055	(962)	-91%	
Total Capital Funding		-	32 681	-	1 437	4 280	5 447	(1 187)	-22%	-

The expenditure for the month of August 2018 was R 1 437 306.72 that is 4.3 % of the total annual capital budget amount. This month it comprises:

- the Construction Peddie town surfacing R 425 158.48
- the Construction Shushu Community Hall R 453 338.64
- the Construction Wesley Internal Streets R 464 871.6
- And other fixed assets (office equipment, tools etc.) R 93 938.00

The total expenditure above is funded form the Municipal Infrastructure Grant and Municipal own revenue.

3.4 Conclusion

The Municipality ensures expenditure limits are on target and that there will be no unspent at the end of the financial year

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

In-year budget statement tables

9. If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely -

- (a) Table C1 s71 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement - Financial Position
- (g) Table C7 Monthly Budget Statement - Cash Flow

and note

11. Supporting information, charts and explanations of trends and anomalies must be presented for each table where such presentation will assist with understanding the information contained in the tables.

The tables included in section 4 to the end of this report are from the 'C Schedule Monthly Budget Statement' legislated as part of the MBRR.

4.1 Monthly budget tables

The tables included in section 4 to the end of this report are from the 'C Schedule Monthly Budget Statement' legislated as part of the MBRR.

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M02 August

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	28 780	-	3 950	26 671	4 797	21 874	456%	-
Service charges	-	755	-	67	133	126	7	6%	-
Investment revenue	-	2 702	-	186	186	450	(264)	-59%	-
Transfers and subsidies	-	95 935	-	-	31 453	15 989	15 464	97%	-
Other own revenue	-	16 041	-	391	877	2 674	(1 797)	-67%	-
Total Revenue (excluding capital transfers and contributions)	-	144 213	-	4 595	59 320	24 036	35 285	147%	-
Employee costs	-	66 807	-	5 017	9 679	11 135	(1 256)	-11%	-
Remuneration of Councillors	-	9 439	-	686	1 357	1 573	(216)	-14%	-
Depreciation & asset impairment	-	15 053	-	-	-	2 509	(2 509)	-100%	-
Finance charges	-	2 100	-	4	8	350	(342)	-98%	-
Materials and bulk purchases	-	1 911	-	336	336	319	18	6%	-
Transfers and subsidies	-	25	-	-	-	4	(4)	-100%	-
Other expenditure	-	42 545	-	2 671	3 962	7 091	(3 128)	-44%	-
Total Expenditure	-	137 881	-	8 714	15 543	22 980	(7 437)	-32%	-
Surplus/(Deficit)	-	6 333	-	(4 119)	43 778	1 055	42 722	4048%	-
Transfers and subsidies - capital (monetary alloc	-	26 348	-	-	-	4 391	(4 391)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	32 681	-	(4 119)	43 778	5 447	38 331	704%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus (Deficit) for the year	-	32 681	-	(4 119)	43 778	5 447	38 331	704%	-
Capital expenditure & funds sources									
Capital expenditure	-	32 671	-	1 448	4 271	5 445	(1 174)	-22%	-
Capital transfers recognised	-	26 348	-	1 343	4 166	4 391	(225)	-5%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	6 333	-	94	94	1 055	(962)	-91%	-
Total sources of capital funds	-	32 681	-	1 437	4 260	5 447	(1 187)	-22%	-
Financial position									
Total current assets	-	34 146	-	-	67 443				-
Total non current assets	-	210 439	-	-	247 681				-
Total current liabilities	-	22 346	-	-	27 520				-
Total non current liabilities	-	3 191	-	-	12 806				-
Community wealth/Equity	-	219 048	-	-	274 798				-
Cash flows									
Net cash from (used) operating	-	78 864	-	3 281	28 989	13 144	(15 845)	-121%	-
Net cash from (used) investing	-	(63 811)	-	(1 509)	(1 946)	(10 635)	(8 689)	82%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	16 253	-	-	28 547	3 709	(24 838)	-670%	1 504
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	4 166	13 894	363	330	293	176	1 638	17 178	38 039
Creditors Age Analysis									
Total Creditors	186	(1)	1 759	-	-	-	(0)	0	1 944

4.1.2 Table C2: Monthly Budget Statement - Financial

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	162 572	-	4 327	58 785	27 095	31 689	117%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	162 572	-	4 327	58 785	27 095	31 689	117%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	586	-	0	7	98	(91)	-93%	-
Community and social services		-	586	-	0	7	98	(91)	-93%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	6 592	-	198	392	1 099	(707)	-64%	-
Planning and development		-	91	-	-	8	15	(9)	-62%	-
Road transport		-	6 501	-	198	388	1 083	(897)	-64%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	811	-	89	137	135	2	1%	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	56	-	2	4	9	(6)	-61%	-
Waste management		-	755	-	87	133	126	7	6%	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	170 561	-	4 595	59 320	28 427	30 894	109%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	94 311	-	4 677	8 749	15 718	(6 970)	-44%	-
Executive and council		-	28 080	-	1 171	2 238	4 680	(2 444)	-52%	-
Finance and administration		-	64 183	-	3 408	6 326	10 894	(4 368)	-41%	-
Internal audit		-	2 088	-	101	187	345	(158)	-46%	-
<i>Community and public safety</i>		-	5 390	-	407	689	898	(209)	-23%	-
Community and social services		-	2 127	-	194	295	354	(80)	-17%	-
Sport and recreation		-	994	-	116	238	166	72	44%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	2 269	-	97	157	378	(221)	-59%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	19 881	-	1 524	2 915	3 313	(398)	-12%	-
Planning and development		-	6 081	-	375	730	1 013	(283)	-26%	-
Road transport		-	13 800	-	1 149	2 185	2 300	(115)	-5%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	15 681	-	1 889	2 695	2 613	81	3%	-
Energy sources		-	4 897	-	311	399	818	(417)	-51%	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	10 784	-	1 578	2 296	1 797	499	28%	-
Other		-	2 618	-	217	495	436	58	13%	-
Total Expenditure - Functional	3	-	137 881	-	8 714	15 543	22 980	(7 437)	-32%	-
Surplus/ (Deficit) for the year		-	32 681	-	(4 119)	43 778	5 447	38 331	704%	-

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description		Ref	2017/18	Budget Year 2018/19						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue by Vote		1								
Vote 1 - Council General			-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager			-	162 572	-	4 327	58 785	27 095	31 689	117.0%
Vote 3 - Budget and Treasury			-	586	-	0	7	98	(91)	-93.2%
Vote 4 - Corporate Services			-	-	-	-	-	-	-	-
Vote 5 - Community & Social Services			-	6 501	-	198	388	1 083	(897)	-64.3%
Vote 6 - Technical services			-	-	-	-	-	-	-	-
Vote 7 - other			-	91	-	-	8	15	(9)	-82.0%
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	755	-	87	133	128	7	5.8%
Vote 12 - [NAME OF VOTE 12]			-	58	-	2	4	9	(6)	-80.5%
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Revenue by Vote		2	-	170 561	-	4 595	59 320	28 427	30 894	108.7%
Expenditure by Vote		1								
Vote 1 - Council General			-	28 080	-	1 171	2 238	4 680	(2 444)	-52.2%
Vote 2 - Municipal Manager			-	84 183	-	3 408	8 328	10 694	(4 368)	-40.8%
Vote 3 - Budget and Treasury			-	2 127	-	194	295	354	(60)	-18.9%
Vote 4 - Corporate Services			-	4 897	-	311	399	816	(417)	-51.1%
Vote 5 - Community & Social Services			-	13 800	-	1 149	2 185	2 300	(115)	-5.0%
Vote 6 - Technical services			-	2 618	-	217	495	436	58	13.4%
Vote 7 - other			-	6 081	-	375	730	1 013	(283)	-28.0%
Vote 8 - [NAME OF VOTE 8]			-	994	-	116	238	186	72	43.6%
Vote 9 - [NAME OF VOTE 9]			-	2 269	-	97	157	378	(221)	-58.6%
Vote 10 - [NAME OF VOTE 10]			-	2 068	-	101	187	345	(158)	-45.7%
Vote 11 - [NAME OF VOTE 11]			-	10 784	-	1 578	2 298	1 797	499	27.7%
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	-	137 881	-	8 714	15 543	22 980	(7 437)	-32.4%
Surplus/ (Deficit) for the year		2	-	32 680	-	(4 119)	43 778	5 447	38 331	703.7%

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates			26 786		3 950	26 671	4 797	21 874	456%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue			755		67	133	126	7	6%	
Service charges - other								-		
Rental of facilities and equipment			572		9	28	95	(67)	-71%	
Interest earned - external investments			2 702		186	186	450	(264)	-59%	
Interest earned - outstanding debtors			4 343		171	424	724	(300)	-41%	
Dividends received								-		
Fines, penalties and forfeits			3 900		24	39	650	(611)	-94%	
Licences and permits			2 249		146	283	375	(92)	-25%	
Agency services			509		33	75	85	(9)	-11%	
Transfers and subsidies			95 935		-	31 453	15 989	15 464	97%	
Other revenue			4 468		7	27	745	(717)	-96%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		-	144 213	-	4 595	59 320	24 036	35 285	147%	-
Expenditure By Type										
Employee related costs			66 807		5 017	9 879	11 135	(1 256)	-11%	
Remuneration of councillors			9 439		686	1 357	1 573	(216)	-14%	
Debt impairment			2 170				362	(362)	-100%	
Depreciation & asset impairment			15 053				2 509	(2 509)	-100%	
Finance charges			2 100		4	8	350	(342)	-98%	
Bulk purchases			-				-	-		
Other materials			1 911		336	336	319	18	6%	
Contracted services			23 482		1 249	2 058	3 914	(1 855)	-47%	
Transfers and subsidies			25				4	(4)	-100%	
Other expenditure			16 893		1 422	1 904	2 816	(912)	-32%	
Loss on disposal of PPE			-				-	-		
Total Expenditure		-	137 881	-	8 714	15 543	22 980	(7 437)	-32%	-
Surplus/(Deficit)		-	6 333	-	(4 119)	43 778	1 055	42 722	0	-
Interest and dividend income (primary expenditure)										
(National / Provincial and District)			26 348		-	-	4 391	(4 391)	(0)	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		-	32 681	-	(4 119)	43 778	5 447			-
Taxation								-		
Surplus/(Deficit) after taxation		-	32 681	-	(4 119)	43 778	5 447			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	32 681	-	(4 119)	43 778	5 447			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	32 681	-	(4 119)	43 778	5 447			-

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description R thousands	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital Expenditure - Functional Classification										
Governance and administration		-	4 318	-	94	94	720	(626)	-87%	-
Executive and council			10				1 666 67	(2)	-100%	
Finance and administration			4 308		94	94	717 944 67	(624)	-87%	
Internal audit								-		
Community and public safety		-	3 400	-	453	453	567	(113)	-20%	-
Community and social services			1 500		453	453	250	203	81%	
Sport and recreation			1 900				317	(317)	-100%	
Public safety								-		
Housing								-		
Health								-		
Economic and environmental services		-	19 831	-	890	3 713	3 272	441	13%	-
Planning and development			15				3	(3)	-100%	
Road transport			19 816		890	3 713	3 269	(2 379)	-73%	
Environmental protection								-		
Trading services		-	5 332	-	-	-	889	(889)	-100%	-
Energy sources			5 332				889	(889)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
Other								-		
Total Capital Expenditure - Functional Classification	3	-	32 881	-	1 437	4 280	5 447	(1 187)	-22%	-
Funded by:										
National Government			26 348		1 343	4 166	4 391	(225)	-5%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		-	26 348	-	1 343	4 166	4 391	(225)	-5%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 333		94	94	1 055	(962)	-91%	
Total Capital Funding		-	32 881	-	1 437	4 280	5 447	(1 187)	-22%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			1 266		18 852	
Call investment deposits			-		9 677	
Consumer debtors			19 546		32 613	
Other debtors			9 988		3 058	
Current portion of long-term receivables			-		-	
Inventory			3 346		3 243	
Total current assets		-	34 146	-	67 443	-
Non current assets						
Long-term receivables			-			
Investments			-			
Investment property			24 058		16 184	
Investments in Associate			-			
Property, plant and equipment			185 133		230 532	
Agricultural			-			
Biological			-			
Intangible			1 248		965	
Other non-current assets			-		0	
Total non current assets		-	210 439	-	247 681	-
TOTAL ASSETS		-	244 585	-	315 124	-
LIABILITIES						
Current liabilities						
Bank overdraft			-			
Borrowing			-			
Consumer deposits			-		76	
Trade and other payables			22 346		22 989	
Provisions			-		4 454	
Total current liabilities		-	22 346	-	27 520	-
Non current liabilities						
Borrowing			-			
Provisions			3 191		12 806	
Total non current liabilities		-	3 191	-	12 806	-
TOTAL LIABILITIES		-	25 537	-	40 326	-
NET ASSETS	2	-	219 048	-	274 798	-
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			219 048		95 541	
Reserves					179 257	
TOTAL COMMUNITY WEALTH/EQUITY	2	-	219 048	-	274 798	-

MONTHLY BUDGET STATEMENT FOR AUGUST 2018

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			58 798		11 294	11 688	9 800	1 888	19%	
Service charges			1 511		37	155	252	(97)	-38%	
Other revenue			12 054		1 794	2 092	2 009	83	4%	
Government - operating			95 935		2 685	34 587	15 989	18 598	116%	
Government - capital			26 348		-	8 527	4 391	4 136	94%	
Interest			7 045		166	252	1 174	(922)	-79%	
Dividends			-				-	-		
Payments										
Suppliers and employees			(120 703)		(12 716)	(28 312)	(20 117)	8 195	-41%	
Finance charges			(2 100)				(350)	(350)	100%	
Transfers and Grants			(25)				(4)	(4)	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	-	3 281	28 989	13 144	(15 845)	-121%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments			(31 130)				(5 188)	5 188	-100%	
Payments										
Capital assets			(32 681)		(1 509)	(1 946)	(5 447)	(3 500)	64%	
NET CASH FROM/(USED) INVESTING ACTIVITIES			(63 811)	-	(1 509)	(1 946)	(10 635)	(8 689)	82%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD			15 053	-	1 772	27 043	2 509			-
Cash/cash equivalents at beginning			1 200			1 504	1 200			1 504
Cash/cash equivalents at month/year end			16 253			28 547	3 709			1 504

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description		Budget Year 2018/19											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts (i.e. Council Policy)
NT Code		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	3 910	13 644	164	118	63	63	300	10 290	20 685	10 956	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	77	57	24	25	26	23	149	809	1 180	1 034	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	7	-	(8)	-	-	-	1	120	133	120	-	-	
Interest on Arrears Debtor Accounts	1810	127	182	185	187	183	84	1 090	5 947	8 053	7 489	-	-	
Receivables unadvanced against business and material expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Income Source	2000	4 180	13 884	363	330	293	170	1 630	17 170	30 830	19 618	-	-	
2017/18 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2700	3 578	12 821	45	49	49	18	277	4 261	21 200	4 055	-	-	
Commercial	2800	265	208	105	193	83	49	399	2 483	3 691	3 115	-	-	
Households	2400	278	240	172	139	119	94	716	6 589	8 344	7 054	-	-	
Other	2500	48	526	41	41	41	15	245	3 845	4 063	4 189	-	-	
Total By Customer Group	2000	4 180	13 884	363	330	293	170	1 630	17 170	30 830	19 618	-	-	

Debtors' age analysis

The age analysis for debtors only includes those amounts which are current or past due. The debtors' age analysis includes pro-rata billing up to the current month

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors and other creditors.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

C120 Expenses - Supporting Table C14 Monthly Budget Statement - aged creditors - Nov August											
Description	NT Code	Budget Year 2018/19									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	(0)	0	-	-	-	-	0	0	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	186	(1)	1 759	-	-	-	(0)	0	1 944	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	186	(1)	1 759	-	-	-	(0)	0	1 944	-

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of Investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
62414349763		Months	Short-term	30-06-2019	-		485	667	1 151
74773942899		Months	Short-term	30-06-2019	-		-	9 677	9 677
Municipality sub-total					-		485	10 343	10 828
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				-		485	10 343	10 828

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	17 718 669.59
Call investment /deposits Investments	10 827 892.6
TOTAL	28 546 562.19

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	7 352 240.4
Unpaid creditors	1 944 369.94
TOTAL	9 296 610.34

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:		-	80 489	-	2 785	34 687	13 415	19 138	142.8%	-
Local Government Equitable Share			75 488		-	31 453	12 581	18 872	150.0%	
Finance Management			2 415		2 415	2 415	403			
EPWP Incentive			1 480		370	370	247			
	3							-		
								-		
								-		
PMU			1 106			449	184	264	143.4%	
Provincial Government:		-	369	-	-	-	81	(81)	-100.0%	-
								-		
Sport and Recreation			369				61	(61)	-100.0%	
	4							-		
Other transfers and grants (insert description)								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	78	-	-	-	13	(13)	-100.0%	-
LG Seta			78				13	(13)	-100.0%	
								-		
Total Operating Transfers and Grants	5	-	80 935	-	2 785	34 687	13 489	19 062	141.3%	-
Capital Transfers and Grants										
National Government:		-	26 348	-	-	8 527	4 391	4 136	94.2%	-
Municipal Infrastructure Grant (MIG)			21 016		-	8 527	3 503	5 025	143.4%	
INEP			5 332		-	-	889	(889)	-100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
(insert description)										
District Municipality:		-	-	-	-	-	-	-		-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-		-
(insert description)										
Total Capital Transfers and Grants	5	-	26 348	-	-	8 527	4 391	4 136	94.2%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	107 283	-	2 785	43 214	17 881	23 198	129.7%	-

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

EC 120994000000 - Supporting Table SC7(1) monthly Budget Statement - transfers and grant expenditure - M02 August										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	85 489	-	12 720	117 782	13 415	164 368	778.0%	-
Local Government Equitable Share			75 488		12 810	117 544	12 581	104 963	834.3%	
Finance Management			2 415		41	104	403	(299)	-74.2%	
EPWP Incentive			1 480		-	-	247	(247)	-100.0%	
							-	-		
							-	-		
							-	-		
PMU			1 106		69	135	184	(50)	-27.0%	
Provincial Government:		-	369	-	-	-	61	(61)	-100.0%	-
Sport and Recreation			369				61	(61)	-100.0%	
							-	-		
Other transfers and grants (insert description)							-	-		
District Municipality:		-	-	-	-	-	-	-		-
							-	-		
Other grant providers:		-	78	-	-	-	13	(13)	-100.0%	-
LG Seta			78				13	(13)	-100.0%	
Total operating expenditure of Transfers and Grants:		-	80 935	-	12 720	117 782	13 489	104 293	773.2%	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	26 348	-	1 343	4 166	4 391	(225)	-5.1%	-
Municipal Infrastructure Grant (MIG)			21 016		1 343	4 166	3 503	663	18.9%	
							-	-		
INEP			5 332		-	-	889	(889)	-100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
							-	-		
District Municipality:		-	-	-	-	-	-	-		-
							-	-		
Other grant providers:		-	-	-	-	-	-	-		-
							-	-		
Total capital expenditure of Transfers and Grants		-	26 348	-	1 343	4 166	4 391	(225)	-5.1%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	107 283	-	14 064	121 948	17 881	104 068	582.0%	-

Supporting Table SC7 (2) – Expenditure against approved rollovers

Not yet applicable

8.3 Comments

These tables do not reflect the opening unspent balances or unpaid balances on the individual grants.

For this reason a grant may show a receipt and no expenditure where the unpaid balance has subsequently been settled.

Alternatively a grant may show expenditure and no receipt where an unspent balance has been authorised for expenditure in the subsequent year.

The unspent grant balances as at 31 August 2018 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	4 671 022.2
Financial Management Grant (FMG)	2 311 218.2
Integrated Electrification Municipal Programme	0.00
Extended Public Works Programme Grant (EPWP)	370 000
Unspent grant balances	7 352 240.4

Section 8 – Allocation and grant receipts and expenditure

Allocation and grant receipts and expenditure

16. The disclosure on allocation and grant receipts and expenditure must reflect particulars of -

- (a) allocation and grant receipts and expenditure against each allocation or grant; and*
- (b) any change in allocations as a result of -*
 - (i) an adjustments budget of the national or provincial government or district or local municipality; and*
 - (ii) changes in grants from other providers*

Section 9 – Expenditure on councillor and board members Allowances and employee benefits

9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration R thousands	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			8 454		545	1 089	1 409	(320)	-23%	
Pension and UIF Contributions			-		15	30	-	30	#DIV/0!	
Medical Aid Contributions			-		3	6	-	6	#DIV/0!	
Motor Vehicle Allowance			353		40	67	59	8	14%	
Cellphone Allowance			633		84	165	105	60	57%	
Housing Allowances			-		-	-	-	-		
Other benefits and allowances			-		-	-	-	-		
Sub Total - Councillors		-	9 439	-	886	1 357	1 573	(216)	-14%	-
% Increase	4		#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 642		452	868	774	94	12%	
Pension and UIF Contributions			-		-	-	-	-		
Medical Aid Contributions			-		-	-	-	-		
Overtime			-		-	-	-	-		
Performance Bonus			-		-	-	-	-		
Motor Vehicle Allowance			-		-	-	-	-		
Cellphone Allowance			-		-	-	-	-		
Housing Allowances			-		-	-	-	-		
Other benefits and allowances			-		-	-	-	-		
Payments in lieu of leave			-		-	-	-	-		
Long service awards			-		-	-	-	-		
Post-retirement benefit obligations			-		-	-	-	-		
Sub Total - Senior Managers of Municipality		-	4 642	-	452	868	774	94	12%	-
% Increase	4		#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages			52 947		3 496	6 874	8 825	(1 951)	-22%	
Pension and UIF Contributions			415		541	1 085	69	1 016	1470%	
Medical Aid Contributions			2 054		207	424	342	82	24%	
Overtime			454		22	48	76	(28)	-37%	
Performance Bonus			3 347		-	-	558	(558)	-100%	
Motor Vehicle Allowance			1 888		187	392	315	78	25%	
Cellphone Allowance			-		22	48	-	48	#DIV/0!	
Housing Allowances			183		6	19	31	(11)	-36%	
Other benefits and allowances			-		51	53	-	53	#DIV/0!	
Payments in lieu of leave			765		18	29	127	(99)	-77%	
Long service awards			112		15	38	19	20	106%	
Post-retirement benefit obligations			-		-	-	-	-		
Sub Total - Other Municipal Staff		-	62 165	-	4 565	9 011	10 381	(1 350)	-13%	-
% Increase	4		#DIV/0!							
Total Parent Municipality		-	76 247	-	5 703	11 236	12 708	(1 472)	-12%	-

Section 10 – Material variances to the SDBIP

Material variances to the service delivery and budget implementation plan

18. In the monthly financial statements provide a disclosure on monthly targets for revenue, expenditure and cash flow that includes a consolidated projection of cash flow for the budget year setting out receipts by source and payments by type, per month for the budget year with actual for past months and revised forecasts for future months, and shown in total for the two years following the budget year.

and note

21. Where (17), (18) and (19) indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, provide explanations for such variances and indicate the likely impact on annual performance agreements of the municipal manager and senior managers.

10.1 Over view

The SDBIP is essentially the municipality's business plan and is an integral part of the financial planning, implementation and measurement process. The SDBIP functions as the connection between the strategic plan "IDP", budget and management performance agreements; and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators.

Section 11 – Parent municipality financial performance

Parent municipality financial performance

22. If the municipality has municipal entities, provide the monthly statement of financial performance for the parent municipality only.

11.1 Supporting Table SC10

Not applicable to Ngqushwa Municipality.

Section 12 – Municipal entity summary

Municipal entity summary

23. If the municipality has municipal entities, provide a summary for all entities of revenue, operating expenditure and capital expenditure.

12.1 Supporting Table SC11

Not applicable to Ngqushwa Municipality

Section 13 – Capital programme performance

Capital programme performance

24. The disclosure on capital programme performance must include at least -

- (a) capital expenditure by month; and
- (b) a summary of capital expenditure by asset class and sub-class.

13.1 Supporting Table SC12

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		3 082		2 823	2 823	3 082	260	8.4%	9%
August		3 082		1 437	4 260	6 165	1 905	30.9%	13%
September		3 082				9 247	-		
October		3 082				12 329	-		
November		3 082				15 412	-		
December		3 082				18 494	-		
January		3 082				21 576	-		
February		3 082				24 659	-		
March		3 082				27 741	-		
April		3 082				30 824	-		
May		3 082				33 906	-		
June		(1 225)				32 681	-		
Total Capital expenditure	-	32 881	-	4 260					

The Municipality has spent 13 % of the original capital budget and 30.9 % compared to year to date budget as at 31 August 2018.

13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

MONTHLY BUDGET STATEMENT FOR AUGUST 2018

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

13.2.2 Supporting Table SC13c

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

Description		Ref	2017/18	Budget Year 2018/19							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1									
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			-	850	-	-	-	142	142	100.0%	-
Roads Infrastructure			-	824	-	-	-	104	104	100.0%	-
Roads			-	824	-	-	-	104	104	100.0%	-
Road Structures			-	-	-	-	-	-	-	-	-
Road Furniture			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	226	-	-	-	38	38	100.0%	-
Power Plants			-	226	-	-	-	38	38	100.0%	-
HV Substations			-	-	-	-	-	-	-	-	-
HV Switching Station			-	-	-	-	-	-	-	-	-
HV Transmission Conductors			-	-	-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-	-	-
MV Switching Stations			-	-	-	-	-	-	-	-	-
MV Networks			-	-	-	-	-	-	-	-	-
LV Networks			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Other assets			-	131	-	19	19	22	2	11.3%	-
Operational Buildings			-	131	-	19	19	22	2	11.3%	-
Municipal Offices			-	131	-	19	19	22	2	11.3%	-
Pay/Enquiry Points			-	-	-	-	-	-	-	-	-
Building Plan Offices			-	-	-	-	-	-	-	-	-
Workshops			-	-	-	-	-	-	-	-	-
Yards			-	-	-	-	-	-	-	-	-
Stores			-	-	-	-	-	-	-	-	-
Laboratories			-	-	-	-	-	-	-	-	-
Training Centres			-	-	-	-	-	-	-	-	-
Manufacturing Plant			-	-	-	-	-	-	-	-	-
Depots			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Staff Housing			-	-	-	-	-	-	-	-	-
Social Housing			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Water Rights			-	-	-	-	-	-	-	-	-
Effluent Licenses			-	-	-	-	-	-	-	-	-
Solid Waste Licenses			-	-	-	-	-	-	-	-	-
Computer Software and Applications			-	-	-	-	-	-	-	-	-
Local Settlement Software Applications			-	-	-	-	-	-	-	-	-
Unspecified			-	-	-	-	-	-	-	-	-
Computer Equipment			-	78	-	-	-	13	13	100.0%	-
Computer Equipment			-	78	-	-	-	13	13	100.0%	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	150	-	-	-	25	25	100.0%	-
Machinery and Equipment			-	150	-	-	-	25	25	100.0%	-
Transport Assets			-	600	-	317	317	100	(217)	-217.0%	-
Transport Assets			-	600	-	317	317	100	(217)	-217.0%	-
Land			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		1	-	1 810	-	336	336	302	(35)	-11.5%	-

Section 14 – Other supporting documentation

Other supporting documents

25. A municipality must add to its in-year report any supporting documents not covered in this Schedule if such documents are necessary to fully explain the review of actual service delivery and financial performance compared to the approved annual budget and the latest approved adjustments budget.

14.1 Other information

None

Section 15 – In-year reports of municipal entities attached to the municipality's in-year report

In-year reports of municipal entities attached to the in-year report

26. Give a list of the municipal entity in-year reports attached to the in-year report.

Not Applicable to Ngqushwa Local Municipality

15.1 Listing of in-year reports for municipal entities attached to this report

Not applicable to Ngqushwa Municipality.

MONTHLY BUDGET STATEMENT FOR AUGUST 2018

Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.

Section 16 – Municipal manager's quality certification**QUALITY CERTIFICATE**

I, **Misiwe P. Mpahlwa** municipal manager of **Ngqushwa Municipality**, hereby certify that -

(Mark as appropriate)

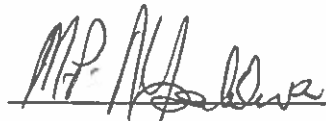
- ☒ the monthly budget statement
- ☐ quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid-year budget and performance assessment

for the month of August 2018 of 2018/2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mrs. M.P Mpahlwa

Municipal Manager of Ngqushwa Municipality (EC126)

Signature



Date

